



BUILDING HOME

General Administrative and Financial Requirements

Admin and Financial Requirements



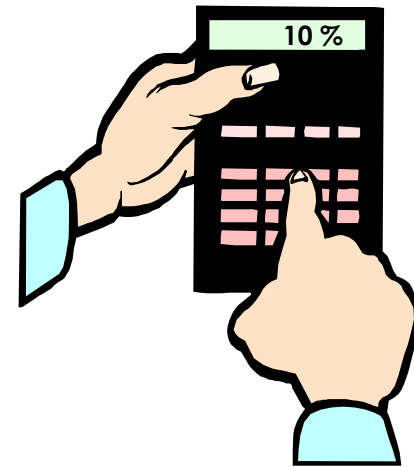
- This chapter covers:
 - ◆ Eligible admin and planning costs
 - ◆ The Consolidated Plan
 - ◆ Uniform administrative requirements
 - ◆ Written agreements
 - ◆ Conflict of interest provisions
 - ◆ Religious organizations
 - ◆ Investment trust accounts
 - ◆ Integrated Disbursement and Information System
 - ◆ Program income and other revenues



Eligible Admin and Planning Costs



- May use up to 10% of annual allocation plus 10% of program income
- Two options for calculating staff costs:
 - ◆ Entire salary/wages OR
 - ◆ A pro-rata share
- Choose one option!



Admin/Planning Costs

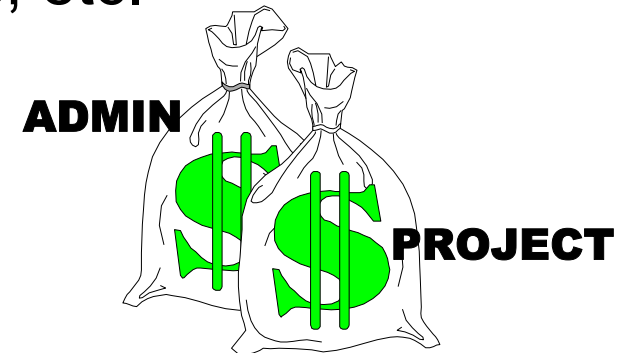


- Other eligible costs may include:
 - ◆ Services
 - ◆ Administration of TBRA
 - ◆ Public information
 - ◆ Fair Housing
 - ◆ Preparation of Consolidated Plan
 - ◆ Compliance with other federal requirements

Admin Vs. Project Costs (I)



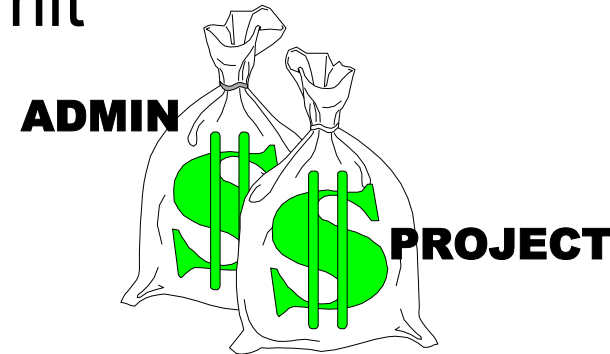
- Certain costs directly related to carrying out HOME projects may be either admin OR project costs:
 - ◆ Appraisals
 - ◆ Work specifications
 - ◆ Construction inspections and oversight
 - ◆ Underwriting
 - ◆ Relocation, environmental reviews, etc.
 - ◆ Counseling



Admin Vs. Project Costs (II)



- If costs are charged to a project:
 - ◆ Counts in maximum subsidy limit
 - ◆ Triggers 25% match
- Must be charged to admin if project does not go forward
- TBRA admin always admin cost
- Project costs incurred by property owner always project costs



The Consolidated Plan

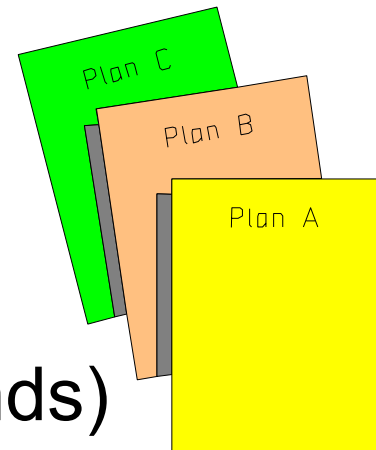


■ The Consolidated Plan

- ◆ Up to 5 year plan for use of HOME, CDBG, ESG and HOPWA
- ◆ Describes community and its needs
- ◆ Describes priorities and resources

■ Action Plan

- ◆ Annual update to Con Plan
- ◆ Application for HOME (and other funds)



Uniform Administrative Requirements



- PJs and other government entities must adhere to:
 - ◆ OMB Circular A-87 (cost principles)
 - ◆ Provisions of 24 CFR Part 85 (uniform standards)
 - ◆ 24 CFR Part 44 (audits)

Uniform Requirements

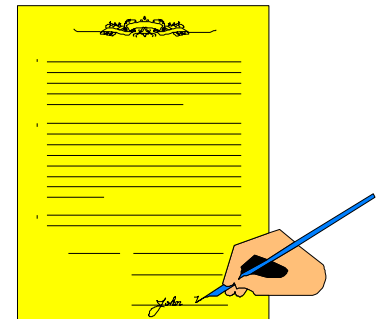


- Subrecipients that are nonprofit organizations:
 - ◆ OMB Circular A-122 (cost principles)
 - ◆ Provisions of 24 CFR Part 84 (uniform standards)
 - ◆ 24 CFR Parts 45 (audits)
- CHDOs:
 - ◆ 24 CFR 84.21 only



Written Agreements (I)

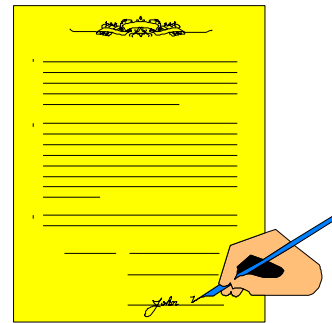
- Written agreement required prior to committing or disbursing funds
- Required contents:
 - ◆ Use of funds
 - ◆ Reversion of assets/program income
 - ◆ Uniform administrative requirements
 - ◆ Other program requirements
 - ◆ Requests for disbursements



Written Agreements (II)



- Required contents (cont.):
 - ◆ Records and reports
 - ◆ Enforcement provisions
 - ◆ Project requirements (e.g., affordability)
 - ◆ Conditions for religious organizations
 - ◆ CHDO provisions
- Other provisions may be included



Conflict of Interest

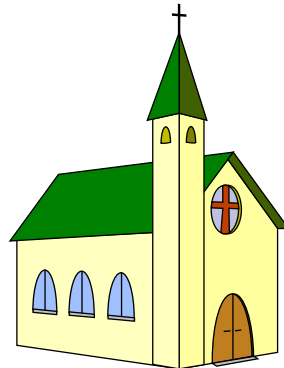


- PJs, state recipients and subrecipients must comply with:
 - ◆ 24 CFR Parts 84 and 85
 - ◆ Provisions in HOME regulations
- For owners, developers and sponsors:
 - ◆ New provision in HOME regs (92.356(f))

Religious Organization



- HOME funds may NOT be provided to religious organizations, but...
 - ◆ A secular entity may acquire housing from a religious organization
 - ◆ A religious organization may establish a secular entity
 - ◆ Housing must be available to all persons



HOME Investment Trust Accounts



- Account in U.S. Treasury holds the HOME allocation to the PJ
- Corresponding local bank account:
 - ◆ Holds all electronic draws from Treasury
 - ◆ Holds all other program funds including program income, recaptured funds, matching funds and shortfall dollars.

Integrated Disbursement and Information System (IDIS)



- Accounts for disbursements of funds
- Collects and reports program performance information
- PJ uses PC link to IDIS to:
 - ◆ Set up specific projects, reserving funds
 - ◆ Reserve funds for organizations
 - ◆ Draw down funds
 - ◆ Report project information

IDIS Tips



- Local program = IDIS “project”
- Local project = IDIS “activity”
- Recommend reporting program income at time draw is made
- Actual expenditures rarely = IDIS set-up
 - ◆ Always reconcile at end
- Match is recorded locally

What is Program Income?



- Program income is gross income received by PJ, state recipient or subrecipient directly generated by:
 - ◆ Use of HOME funds OR
 - ◆ Matching contributions



Program Income Is Not:

- CHDO proceeds
 - ◆ Must go to affordable housing activity
- Recaptured funds
 - ◆ From homebuyers; treated like program income, except no 10% for admin
- Returned funds
 - ◆ Repaid from non-eligible project or activity; must return to Treasury account

Receiving and Using Program Income



- Income recognized when received by PJ, state recipient or subrecipient; prorated if appropriate
- Income must be deposited in PJ's local HOME account ; 10% for admin OK
- State recipient/subrecipient may be authorized by PJ to retain income
- Income must be used according to HOME rules and requirements - before other funds are drawn



Pre-Award Costs

- May incur costs later of:
 - ◆ Beginning of program year;
 - ◆ Con plan received by HUD
- Capped at 25% of grant unless HUD approval